MONTANA

DRINKING WATER STATE REVOLVING FUND

ANNUAL REPORT

FOR STATE FISCAL YEAR 2012
(JULY 1, 2011 THROUGH JUNE 30, 2012)

Prepared by

Montana Department of Environmental Quality
and
Department of Natural Resources and Conservation

for
EPA Region VIII
November 2012

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DRINKING WATER STATE REVOLVING FUND (DWSRF)
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STATE FISCAL YEAR (SFY) 2012

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I. INTRODUCTION

This Annual report adheres to the Operating Agreement negotiated between the State of Montana and the Environmental Protection Agency (EPA) concerning the administration of the Drinking Water State Revolving Fund (DWSRF). The annual report summarizes DWSRF activities for the state fiscal period beginning July 1, 2011 and ending June 30, 2012 (SFY12).

The DWSRF program was established as a result of the 1996 Amendments to the Federal Safe Drinking Water Act, which provided the authority for EPA to make capitalization grants to states. The grants, in conjunction with state matching funds, are used to provide financial assistance for the construction of drinking water projects and to support administration of the state program.

In anticipation of the 1996 Amendments to the Federal Act, the 1995 State Legislature, under Title 75, Chapter 6, Part 2, Montana Code Annotated, passed the enabling legislation, entitled the Safe Drinking Water Treatment Revolving Fund Act, giving authority to the Montana Department of Environmental Quality (DEQ) and the Department of Natural Resources and Conservation (DNRC) to adopt administrative rules to implement the program. Legislation also provided the ability to generate state matching funds through the sale of state General Obligation Bonds (GO Bond Authority). Amendments to the Drinking Water State Revolving Fund Act were passed in the 1997, 1999, 2001, 2003, and 2005 Legislative Sessions. The 1997 amendments changed the title of the Act from "Safe Drinking Water Treatment Revolving Fund Act" to the "Drinking Water State Revolving Fund Act" and also made other changes consistent with the Federal Act. During the 1999 Legislative Session, the 1999 amendment clarified the transfer language between the DWSRF and Water Pollution Control State Revolving Fund (WPCSRF) Programs and added GO Bond Authority. The 2001 Amendment authorized the program to advance funds to projects funded, in part, by the federal government when federal funding has been approved but not appropriated. This provides interim financing until those federal funds become available. The 2003 Amendment increased GO Bonding Authority by $10 million, raising the total to $30 million. The 2005 amendment authorized the issuing of Revenue or Grant Anticipation Notes and authorized limited principal forgiveness to disadvantaged communities.

II. EXECUTIVE SUMMARY SFY12

During SFY12 Montana applied for the FFY12 capitalization grant. This grant was awarded May 8, 2012.

Since the inception of the DWSRF, Montana has issued six GO bonds, one Bond Anticipation Note (BAN) and three Revenue Anticipation Notes (RAN). These proceeds have been used as state match for loans, set asides, and program administration. Montana issued its first GO bond in October 1998 (SFY99), the second GO Bond in April 2000 (SFY00), the third GO bond in June 2001 (SFY01), the fourth GO Bond in June 2003 (SFY03); the fifth GO Bond in May 2005 (SFY05), and it's sixth GO bond in May, 2010 (SFY10). The total amount of bonds, BANs, and RANs issued to date is $22,695,000, with other state funds generated, match is $33,049,692. A summary of these bond issues is provided in Exhibit 1. Montana is planning for its seventh GO Bond later in calendar year 2013.

Exhibit 1, Sources of DWSRF Funds through SFY12, provides a complete tabulation of capitalization grant awards received through June 30, 2012, projected state match, binding commitments for loan projects through SFY12, and GO bonds, BANs, and RANs, and other state match issued for total state match. The combination of capitalization grants and bond proceeds provided the needed funds for DWSRF projects, set asides, and program administration during SFY12. In addition, DNRC provided a portion of their program administration services as an in-kind contribution in the amount of $-0- for SFY12.

During SFY12, the DWSRF program executed 19 project loan agreements totaling $23,491,997. For a detailed breakdown of all DWSRF loan agreements signed and key dates of project activity that occurred in SFY12, refer to Exhibit 2: DWSRF Capitalized Grant Closed Loans for SFY12, and Exhibit 3: DWSRF Recycled Closed Loans for SFY12.

Detailed information concerning use of DWSRF funds, accomplishments of the program and adherence with the stated goals of the program are provided on the following pages.

III. GOALS OF THE DWSRF

The following information describes the goals of DWSRF program as identified in the SFY12 Intended Use Plan, and how these goals were achieved by the activities performed by DNRC and DEQ personnel throughout the course of the year.

Long-Term Goals

1. To continue building and maintaining a permanent, self-sustaining state revolving fund program that will serve as a cost-effective, convenient source of financing for drinking water projects in Montana.

   Projects funded during SFY12 met all program requirements governing financial capability to assume debt. Eight of nineteen loans received an interest rate of 3.75% on their loans (well below market rates) and six of the nineteen received principal forgiveness. Also, three of the nineteen loans qualified for an interest rate of 2.75% under the disadvantaged community criteria or interim financing. In addition, under the ARRA funding, 1 project received an interest rate of 0.75% under the disadvantaged community criteria on one loan, and received principal forgiveness on the other loan. These factors illustrate that the assistance is affordable. Refer to Exhibit 2 & 3. A copy of the cash flow with all the activity through SFY12 is included in this report as Appendix A.

2. To provide a financing and technical assistance program to help public water supplies achieve and maintain compliance with federal and state drinking water laws and standards for the protection and enhancement of Montana's public drinking water.

   To promote the availability of these DWSRF program services during SFY12, DWSRF staff presented information at a variety of events. This included four infrastructure workshops and the annual Montana Rural Water Systems conference, two webinars, and meeting one on one with community leaders.

   Please also refer to the project descriptions and discussion of set-asides provided in Section V: Details of DWSRF Activity.

Short-Term Goals

1. Continue implementation and maintain the Drinking Water State Revolving Fund Program in Montana. Since the approval of its DWSRF loan program and first capitalization grant award, Montana has been awarded fifteen more capitalization grants, issued matching GO bonds, BANs, and RANs, utilized the

provision to transfer funds between the WPCSRF and DWSRF, and generated other revenue from loan repayments and interest investments. The number of closed loans through June 30, 2012 now totals $198,754,462. Please see Appendix D project list and location map.

2. To fund projects that address specific and immediate requirements of the SDWA, including the Disinfectant/Disinfection Byproducts, Long Term 2 Enhanced Surface Water Treatment, and Arsenic Rules, Montana anticipated funding at least four projects to address water treatment in SFY12.

   The anticipated projects for water treatment listed in the SFY12 IUP were for Lockwood WSD, City of Bozeman, Beaverhead-Jackson WSD, and the City of Hardin. Lockwood WSD closed its loans and project construction was completed. Bozeman closed its loans in SFY12, and is still under construction. Hardin is expecting to award a construction contract in SFY13. Beaverhead-Jackson WSD is also expected to close a loan later in SFY13. In addition, the City of Helena closed a loan for improvements to one of its treatment plants.

3. To fund projects that promote regionalization and/or achieve consolidation of two or more existing public water supplies, thereby improving water quality. Montana expected to fund five consolidation projects in SFY12.

   Three consolidation project loans were closed during SFY12. Dry Prairie Regional Water System continued work on the next phase of its project, and utilized SRF funding. The Town of Eureka-Midvale WSD Project also closed a loan in SFY12, as did the Upper Lower River Road (ULRR) WSD. The North Central Regional Water System is expected to close an SRF loan later in SFY13. The City of Helena-Warren School project selected another alternative and did not utilize SRF funding.

4. To fund projects that address replacement of aging infrastructure. Montana anticipated funding at least eight projects of this type in SFY12.

   Five new projects (9 loans) were funded in SFY12 to replace aging infrastructure. These projects were Glendive, Harlowton, Homestead Acres (ARRA), Scobey, and White Sulphur Springs. They totaled $3,789,997 and were funded from the 2010 and 2011 grants, along with recycled funds.

5. To fund projects that develop system sustainability through financial capacity by refinancing existing debt. Three refinancing loans were expected in SFY12.

   No loans were closed in SFY12 to refinance debt previously incurred. However, several loans are anticipated in SFY13 for this purpose.

6. Ensure the technical integrity of Drinking Water SRF projects through the review of planning, design plans and specifications, and construction activities.

   The trained technical staff of the Planning, Prevention, and Assistance Division (PPAD) continues to use the DWSRF Handbook of Procedures and knowledge gained from many years of operating both SRF Programs to ensure that this objective is met. The Handbook of Procedures is used as a guide to ensure that all state and federal laws governing the technical aspects of each project are satisfied.

   Steps were taken to update the Handbook of Procedures and streamline checklists and processes. A final revised edition was submitted to EPA in September 2001. This project was completed in early SFY02. It was again reviewed and updated during SFY06. Another review is tentatively planned in SFY13.

   Staff attends training seminars and workshops to maintain and improve technical, financial, and programmatic knowledge. In SFY12, Anna Miller, Tricia Schiltz, Diana Hoy, Bob Fischer, and Mark

Smith attended the Council of Infrastructure Financing Authorities (CIFA) National Workshop; Anna Miller, Diana Hoy, Janice Yearry, Bob Fischer, Robert Ashton, Marc Golz and Mark Smith attended the Montana Rural Water Systems Conference; Gary Wiens, Robert Ashton, Marc Golz and Mark Smith attended the Montana AWWA Conference; Anna Miller and Mark Smith attended the CIFA Legislative Conference.

7. To provide outreach to communities and utilize the set-aside funding by:

   a. providing technical assistance to water suppliers who request help with their system operation and maintenance procedures.

   b. providing financial and managerial assistance as part of capacity development education to those water supplies who request this type of help.

   c. assisting communities with the next phase of implementation of their Sourcewater/Wellhead Protection Plans.

   d. emphasizing that Public Water Supply Program (PWSP) staff perform sanitary surveys; facilitate SDWA compliance of the Long Term 2 Enhanced Surface Water Treatment, Stage 2 Disinfectant/Disinfection By-Products, Groundwater, and Arsenic Rules.

   e. ensuring that 95 % or more of the state's community and non-transient non-community water systems continue to have certified operators.

   Please see discussion of individual set-aside activities and accomplishments beginning on page 13.

8. Ensure the financial integrity of the Drinking Water SRF program through the review of the financial impacts of the set-asides and disadvantaged subsidies and individual loan applications and the ability for repayment.

   See Appendix A: Cash Flow Model SFY12.

9. Ensure compliance with all pertinent federal, state, and local safe drinking water rules and regulations.

   To the best of our knowledge, the DWSRF program has ensured Public Water Supply Supervision (PWSS) compliance through the projects that have been funded and the various set-aside activities. Close coordination with the PWSS program has been essential in this effort.

Montana's DWSRF program also had the following additional short term goals with respect to the American Recovery and Reinvestment Act of 2009 (ARRA). The numbers correspond to the goals listed in that IUP.

1. Provide approximately thirty five new loans under the Act for eligible municipal drinking water construction projects or other green technology projects.

   Montana funded its last drinking water projects (2 loans) utilizing the ARRA funding during SFY 2012.

2. Consistent with the requirements of the Act, provide financial assistance in the form of low interest loans with approximately 55% of the principal to be forgiven on each loan.

   All projects received approximately 55% principal forgiveness, and as previously stated, received an interest rate of either 1.75% or 0.75% on the balance of their loan.

3. Consistent with the intent of the Act, promote expeditious use of the funds made available under the Act by prioritizing those projects that will clearly initiate construction by June 17, 2009. Other qualifying projects that are clearly ready to proceed to construction by February 2010, as determined by DWSRF staff, will also be considered as eligible projects.

   Montana initially achieved this goal by having all funds obligated, and all projects under construction, by the February 17, 2010 deadline. Three additional projects were able to be funded from remaining balances from other projects combined with unused PWS set-aside and administration funds.

4. Promote the implementation of energy and water conservation and green technology by funding at least $3.9 million (20%) of projects or project elements that meet the intent of this requirement of the Act.

   Eighteen of the thirty two total projects (SFY 2009 and 2010) satisfied the green project criteria under the water conservation category, for a total dollar amount of $9,856,400. This amount is 49% of the total ARRA grant amount of $19,500,000, which well exceeds the 20% required by EPA. Montana had the highest percentage of green projects in the country.

5. Simplify the administrative and regulatory requirements of the program, without sacrificing project quality, to make the financial assistance readily accessible; coordinate on a regular basis with DNRC and financial consultants to consider ways to improve the program and optimize use of resources.

   As mentioned in no. 3 above, all funds were committed and most projects were under construction before the February, 2010 deadline, despite several additional ARRA requirements and very tight timeframes.

6. Apply for all available appropriated federal funds contingent upon federal legislation.

   Montana received its full ARRA grant award, and was preparing to apply for any unused funds by other states that would possibly be reallotted. However, all states met the February, 2010 deadline and therefore did not turn any funds back to EPA for further reallotment.

IV.FINANCIAL REPORTS

The Montana Legislative Audit Division (LAD) has completed their audit work for SFY11. Financial statements were presented to the Legislative Audit Committee (LAC). A qualified opinion was issued for the financial statements. A copy of the report was submitted to EPA Region VIII.

DEQ and DNRC engaged LAD to audit the State Revolving Fund financial activity beginning in SFY98. This decision was based on a new audit requirement conveyed in a directive from the Office of Water, Inspector General's Office, and the Office of Management and Budget.

The SFY12 un-audited financial statements, including footnotes are included as Appendix B. The SFY12 audit should be complete by May 2013.

V. DETAILS OF DWSRF ACTIVITY

A. Loan Assistance

It should be noted that for reporting purposes, beginning in SFY11, binding commitment dates and amounts are now identical to loan closing dates and amounts in an effort to simplify the reporting process.

During SFY12 the DWSRF program closed nineteen loans; two of which consisted of ARRA funding. Nineteen new projects initiated construction and seven projects were completed. The rate of construction with respect to fund disbursements at fiscal yearend was approximately 89.3% ($177.4M in disbursements and $198.7M in loans). The overall fund utilization rate is approximately 84.4% ($198.7M in loans, $235.3M in available funds. Re. EPA).

Project Bypass

If it is determined by DEQ that a project or projects are not ready to proceed or that the project sponsors have chosen not to use the Drinking Water SRF funds, other projects may be funded in an order different from that indicated on the priority list. If DEQ chooses to bypass higher ranked projects, it should follow the bypass procedure.

Montana bypassed 109 projects on its Priority List with the funding of the Butte-Silver Bow Loan, ranked 121. Eleven other communities (17 loans) closed loans. The higher ranked projects were not ready to proceed at the time, or perhaps were being financed by other funding entities. They were by-passed to fund lower ranked projects that were ready to proceed with construction, or that had already been constructed and desired refinancing to improve financial capacity. Refer to Exhibit 2: DWSRF Capitalized Grant Closed Loans For SFY12, and Exhibit 3: DWSRF Recycled Closed Loans For SFY12. Notification was sent to all by-passed communities that described the proposed projects to be funded, and also included the assurance that funds were still available for all loan applications anticipated at that time. No responses were received. No emergency projects were funded in SFY12. The status of top individual projects on the priority list that were bypassed is discussed below.

1. South Chester WD. System has been negotiating compliance schedule with DEQ Public Water Supply Program. They are exploring alternative grant funding and have received some, but more funds are needed. They are also planning to join the North Central/Rocky Boys Regional Water System when it is constructed in the future.

2. Carter-Choteau Co. WSD. This project is in the design stage and its expected they will close an SRF loan

in SFY 2013.

3. Crow Tribe. The system is also seeking alternative grant funding sources.

4. Town of Kevin. The community did receive ARRA funding for their project, started construction in SFY10, and completed the project early in SFY11. The project needs to be removed from the priority list.

5. Upper/Lower River Road WSD. Phase IV improvements were funded and construction started in SFY12

6. Beaverhead Co.-Jackson WSD. The system is negotiating a compliance schedule with EPA. It's anticipated that an SRF project will begin in SFY 2013.

7. Essex. The project received ARRA funding, construction began in SFY10 and was completed in SFY11. This project needs to be removed from the priority list.

8. Town of Eureka. Project construction utilizing an SRF loan began in SFY12.

9. Gore Hill WD. The system completed design, started construction and completed the project in SFY11 utilizing SRF loan funds. The project needs to be removed from the priority list.

10. Warren School/City of Helena. This school system selected another alternative for the water system improvements and did not utilize SRF funding. The project needs to be removed from the priority list.

11. Town of Stevensville. System has prepared a preliminary engineering report (PER), and is pursuing other grant and loan funding for the project.

12. Sun Prairie Village Co. WSD. Preliminary engineering has been completed and the system is trying to obtain project funding. An application for SRF funds has not been received to date.

13. Town of Jordan. The community has obtained alternate funding sources and the project is under construction. Upon completion, it will need to be removed from the priority list.

14. Dry Prairie Regional Water System. Design approval has been obtained and construction has started for the current phase of the project. Another SRF loan was closed in SFY12.

15. City of Hardin. A construction contract is expected to be awarded soon and it is anticipated that a project loan will close later in SFY13.

16. Rocky Boys/North Central Regional Water System. Construction has started on this project utilizing other sources of funding, and it is anticipated that an SRF loan may be closed sometime during SFY13.

17. City of Glendive. A loan was closed for the distribution improvements phase of this project in SFY2012.

18. Lockwood Water District. Project construction utilizing SRF funding took place in SFY12.

19. Bynum-Teton Co. WD. The community has received some state grant funding but additional funds are needed. To date, an SRF application has not been received.

20. Lambert Co. WSD. . Status of project is unknown.

Disadvantaged Communities

Communities seeking a Drinking Water SRF loan that meet the disadvantaged community criteria described in the Intended Use Plan may receive an additional subsidy on their SRF loans, beyond the standard below-market rate financing. This includes communities that will meet the disadvantaged criteria based on projected rates as a result of the project.

In SFY12, Montana closed two loans with one community, each utilizing ARRA funding. One of the loans had a 0.75% interest rate and the other loan had a 0% interest rate with principal forgiveness. No loans had a term greater than 20 years. Six additional communities closed loans that totaled $8,490,000 and had 50%, or up to a maximum of $500,000, in principal forgiveness for $2,185,500. In SFY13 we will have several loans with communities that may qualify for the disadvantaged interest rate.

Small Systems

The table below shows the breakdown of the population served by our loans in SFY12. We had a total of nineteen loans with twelve communities for a total of $23,491,997. Nine communities (15 loans) are small systems that serve a population of less than 10,000 people. Small systems represent 31% of the loans made in FY12**.**

Public Water Supply	**Population**	**Loan Amount**
1. Dry Prairie A	1355	$500,000
2. Dry Prairie B	1355	$759,000
3. Eureka (BAN)	1037	$1,000,000
4. Glendive A	4729	$150,000
5. Glendive B	4729	$150,000
6. Harlowton A	1062	$437,000
7. Harlowton B	1062	$437,000
8. Homestead Acres A (ARRA)	488	$218,700
9. Homestead Acres B (ARRA)	488	$175,297
10. Lockwood A	6299	$436,500
11. Lockwood B	6299	$436,500
12. Scobey A	1017	$162,000
13. Scobey B	1017	$162,000
14. Upper Lower River Road (BAN)	85	$385,000
15. White Sulphur Springs (BAN)	1000	$1,898,000
TOTAL		**$7,306,997**

Summary of Loan Assistance:

In fiscal year 2012, the DWSRF maintained steady performance by executing nineteen project loan agreements for a total of $23,491,997. We project in SFY13 that we will execute in excess of $10,074,000 in loan agreements. See Exhibit 4: DWSRF Projected Loan Agreements SFY13.

B. First-Round Funded Loans:
First-Round loans are financed with capitalization grants and state match. The DWSRF has financed the projects listed in Exhibit 2: DWSRF Capitalized Grant Closed Loans for SFY12.

C. Recycled Funded Loans:
Recycled loans are financed with loan repayments from first round money and funds from transfers from the WPCSRF program. The DWSRF has financed the projects listed in Exhibit 3: Recycled Closed Loans for SFY12. There were four loans made that used recycled funds in SFY12.

D. Source Of Funds:
Two sources of funds are used to capitalize the DWSRF: (1) the Federal Capitalization Grant, which provides 80% of the DWSRF loan funds; and (2) the state match, funded through the sale of GO bonds, which provides 20% of the DWSRF loan funds. State legislation originally authorized the sale of up to $10 million in GO bonds to match federal grant funds. In the 1999 and 2003 Legislative sessions, an additional $10 million of GO bonds were authorized each time for state match, bringing the total authorized to $30 million. This amount is adequate to cover funds currently authorized for the program. GO bonds, plus RANs and a BAN, for a total of $22,695,000 have been issued by the DWSRF program to use as state matching funds through SFY12. See Exhibit 1: Sources of DWSRF Funds through SFY12. In SFY 12 in-kind services of $-0- have been provided to the DWSRF program by DNRC as match to federal grant funds and were used for program administration. Also, $11,282,486 of funds, have been transferred from the WPCSRF to the DWSRF for loans to date. See Exhibits 5 and 5A for a history of transferred funds between the two SRF programs.

The State of Montana adds a Loan Loss Reserve and an Administrative surcharge to its interest rate. The Loan Loss Reserve funds are used to fund the Required Reserve for the Drinking Water program bonds issued. Amounts over that required reserve are transferred to the principal account to be used for loans. The Administrative surcharge is used to fund administrative program costs not covered by the capitalization grants.

SFY 2012

Loan Loss Reserve funds collected: $883,664

Loan Loss Reserve funds transferred to Principal Account: $862,857

Administrative funds collected: $785,381

E. Federal Funds Drawn By The Program:

Exhibit 6, SFY 2012 Summary of Drinking Water SRF Letter of Credit to ASAP Draws shows 48 project disbursement requests totaling $6,258,699; 48 Administrative Set-Aside disbursement requests totaling $385,073 and 140 Non-Administrative Set-Aside requests totaling $1,208,735. The total Federal Draws for SFY 2012 were $7,852,507.

F. Set – Asides

DWSRF Budget and Draws by Set-Asides displays the financial summary of these non-project activities, see Exhibit 7. In addition, DEQ is required to provide a 1 to 1 match for the State Program Management set-asides,

which includes Public Water Supply Administration, Source Water Protection, Operator Certification, and Capacity Development. Up to one half of this match may come from expenditures made in 1993. Exhibit 8 summarizes the 1 to 1 match for SFY12. All of the set-aside activities for the year are discussed below.

DWSRF ADMINISTRATION

The DWSRF sets aside the maximum four percent from the capitalization grants for program administration. DEQ's contract with DNRC and other activities that occurred were:

- review and assistance during planning, design, project bidding and construction
- loan origination work, administering repayments
- preparation of bond issuance with state's bond counsel firm of Dorsey & Whitney
- financial modeling
- DWSRF program audit
- costs associated with the legislatively appointed advisory committee
- public comment processes

SMALL SYSTEMS TECHNICAL ASSISTANCE

Montana has set aside 2% (the maximum allowed) of its Federal Fiscal Year (FFY) 97, FFY 98, FFY 99, and FFY 03 Drinking Water State Revolving Loan Fund grants for small systems technical assistance. In addition, the DEQ has reserved authority for the 2% allocation from the FFY 00 and FFY 01 grants. No additional funds were set aside from the FFY 02 grant. An additional $135,000 was set aside from the FFY 04 grant, $125,000 from the FFY 05 grant, $20,000 from the FFY 06 grant, $95,000 from the FFY 07 grant, $90,000 from the FFY 08 grant, $125,000 from the FFY 09 grant, $211,000 from the FFY 10 grant, $117,500 from the FFY 11 grant and $143,000 from the FFY 12 grant for a total of $1,774,726.

This set-aside is used for contracted services and administration of contracts to meet Montana's goal of providing technical assistance to water supplies with their system operation and maintenance procedures. A contract was awarded in 1999 to Midwest Assistance Program (MAP) of Montana to provide operation and maintenance technical assistance (O&M TA). The O&M TA contract was re-bid in 2005 and was again awarded to MAP. In April 2012 another request for proposals was issued and a new contractor, Rural and Tribal Environmental Solutions (RATES), was selected to perform technical assistance services. The new contract may be renewed, at the discretion of MDEQ, for up to a total of seven years. Since implementation, the contractor has made approximately 1,800 site visits to small public water supplies for a total cost of approximately $1,527,000. Evaluations of this service, conducted annually by DEQ, indicate the program is successfully helping small public water suppliers to effectively maintain and operate their water systems. Contracted technicians help water system operators develop or enhance technical capabilities that assist them in meeting the capacity development requirements of the 1996 amendments to the Safe Drinking Water Act.

An evaluation of the contract by DEQ DWSRF staff in April and May 2012 determined that a technical assistance contract should be continued. As noted above, a new contract was established with RATES for state fiscal year 2013 (July 2012 through June 2013). The contracted services are provided to systems serving a population of 10,000 or less. Approximately 0.15 FTE is needed to provide contract oversight related to this set-aside in SFY13 (approximately $18,000) with a SFY 2013 technical assistance contract of $125,000.

PUBLIC WATER SUPPLY SUPERVISION SET-ASIDE: ADMINISTRATION

This set-aside funded salaries, benefits, and operating expenses for 7.38 environmental science specialists and 1.2 administrative personnel (partial FTE of bureau chief, field section supervisor and fiscal) assigned to the Helena, Billings, and Kalispell Offices. The positions were funded through the set-aside grants SFY10, SFY11.

The environmental science specialist positions provided technical assistance to water suppliers, performed sanitary surveys, and operator training. These positions also provided direct assistance to water suppliers in implementation of the Lead and Copper Rule, Phase 2/5 rules, Total Coliform Rule, Consumer Confidence Report Rule, Long Term Enhanced Surface Water Treatment Rules, Filter Backwash Rule, Disinfection/Disinfection By-Products Rule, Radionuclide Rule, Long Term 2, Stage 2 DBP Rule, Groundwater Rule, and the State's ground water chlorination rule. The set-aside also funded database development expenses associated with implementation, upgrading to SDWIS Web, and maintenance of SDWIS/state database, associated state-specific Oracle modules, and contracted sanitary surveys for public water supplies. All of these activities helped the PWSS Program achieve its over all goal of facilitating SDWA compliance by public water systems.

PWSS SOURCE WATER PROTECTION (SWP)

This set-aside has been used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time staff positions and the program manager and program operating expenses.

In the past year, the program has approximately 1,659 certified operators, including operators for approximately 700 community systems and 276 non-transient non-community systems. These water and wastewater operators hold over 3,486 certifications. Certification program activities include public outreach, collection and processing of applications, collection and processing of examinations and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Annual compliance for FY2012 ran from 97.25 to 99.12% overall of the community public water supply systems in each category have properly certified operators, which achieves Montana's IUP goal of 95%.

The Operator Certification Program Manager sent the draft program to EPA Region VIII and Headquarters in October of 1999 and the program was formally approved in December 2000. The latest approval of Montana's Operator Certification Program annual submittal package was received from EPA in October 2010. Positive feedback for the program has been received from both EPA Region VIII and Headquarters.

The DEQ requested and received approval for spending authority from the 2001 state legislature for very small water system expense reimbursement grant funding. EPA approved the grant application, and the reimbursement program began making reimbursements in October of 2002. Expenses associated with mandatory training qualified operators attended after July 1, 2002 is eligible for reimbursement. EPA has granted an extension of the funds through December 31, 2012 in the last approved work plan in May 2012.

- The department has completed the transition of current water exams to standardized Association of Boards of Certification (ABC) water treatment and water distribution examinations and developed new On-Site Wastewater exams which utilize ABC and State Questions and four new Industrial Wastewater categories and exams. The completion of the Exam Prep Training Toolbox development was completed this past year with ERG funds. The program has converted the annual renewal program over to a new business process. The Department will continue to track progress and evaluate statistical data to ensure that the program administers valid, comprehensive, and fair examinations.

CAPACITY DEVELOPMENT

The 1996 Amendments to the Safe Drinking Water Act allow states to use SRF funds to establish authority to enforce capacity requirements and to implement a capacity development strategy. This ensures that all new and existing community and non-transient non-community public water supply systems have the necessary technical, financial and managerial capability to comply with all of the primary requirements of the SDWA.

EPA also requires that systems demonstrate adequate capacity in these areas as a condition of approval for Drinking Water SRF loans.

The state could have lost substantial portions of initial capitalization grants if it did not develop and implement strategies to assist existing water systems with capacity development. DEQ avoided the first of these withholding provisions by obtaining approval in 2000 of the state's Capacity Development Strategy for Existing Public Water Supply Systems. Subsequent withholding provisions of future capitalization grants can be avoided by adhering to the approved strategy and complying with the requirements for reporting capacity development improvements to the EPA.

The strategies are a methodology used to identify and prioritize public water systems in need of improving technical, financial, and managerial capacity (a complete copy of the capacity development strategies can be obtained from DEQ). Part of these strategies includes providing assistance to those systems by use of the set-aside funding. The state of Montana has over 1900 public water supplies. Given the large number of systems and a shortage of staff with the requisite financial and managerial experience, the department has chosen to provide these services through a contractor. The department entered into a contract with the Midwest Assistance Program (MAP) in March 2001 to provide these assistance services. Since then, MAP has provided in-depth financial and managerial services to 211 different public water systems. During SFY 12, MAP spent 1055 hours performing 84 site visits at a cost of approximately $78,100.

In April 2012 a new request for proposals was issued and three proposals were received. Of these, RATES was successful and was selected to provide financial and managerial assistance services. This new contract, which took effect in September 2012, may be renewed annually, at the discretion of DEQ, for up to a total of seven years.

These activities achieved the outputs specified in the state's intended use and set-aside work plans by providing assistance to public water systems in need of financial and managerial support. The success of these efforts is documented by the summary reports submitted by the contractor and the consistently favorable response to questionnaires sent to public water systems receiving aid.

PWSS OPERATOR CERTIFICATION

This set-aside has been used for personal services and operating expenses for staff in the Operator Certification Program. Set-aside funds are used to pay portions of the salary and benefits for full-time staff positions and the program manager and program operating expenses.

In the past year, the program has approximately 1,659 certified operators, including operators for approximately 700 community systems and 276 non-transient non-community systems. These water and wastewater operators hold over 3,486 certifications. Certification program activities include public outreach, collection and processing of applications, collection and processing of examinations and certification fees, training, administration of exams, monitoring of continuing education credits, compliance monitoring, and assistance with formal enforcement activities. Annual compliance for SFY2012 ran from 97.25 to 99.12% overall of the community public water supply systems in each category have properly certified operators, which achieves Montana's IUP goal of 95%.

The Operator Certification Program Manager sent the draft program to EPA Region VIII and Headquarters in October of 1999 and the program was formally approved in December 2000. The latest approval of Montana's Operator Certification Program annual submittal package was received from EPA in October 2010. Positive feedback for the program has been received from both EPA Region VIII and Headquarters.

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reimbursement program began making reimbursements in October of 2002. Expenses associated with mandatory training qualified operators attended after July 1, 2002 is eligible for reimbursement. EPA has granted an extension of the funds through December 31, 2012 in the last approved work plan in May 2012.

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LOCAL ASSISTANCE AND OTHER STATE PROGRAMS - SOURCE WATER DELINEATION AND ASSESSMENT AND WELLHEAD PROTECTION

The specific goals achieved that were established in the Intended Use Plan and set-aside work plan in State FY12 were:

- Eight source water protection plans were reviewed by staff. All of these community water system plans were generated by Montana Rural Water.
- Source Water Protection staff continued coordinating with DEQ PWS Program in an effort to identify PWS water sources with significant vulnerability intended to result in targeted technical assistance. A SDWIS State PWS monitoring data analysis will be the basis but will be coupled with sanitary survey and source water assessment information.
- Source Water Delineation and Assessment Reports continue to be accessible via an on-line tool. These reports are used routinely by others seeking hydrogeology and potential contaminant source information.
- A document for homeowners on the operation and maintenance of septic systems (high frequency potential contaminant source to PWSs) was reprinted for continuing distribution. Approximately 6,000 have been distributed to date; see http://deq.mt.gov/wqinfo/swp/PDFs/SepticWellComic.pdf
- The Source Water Protection Plan for Deer Lodge MT was updated and includes recommendations for addressing petroleum contamination in ground water. The city is actively implementing most of the recommendations including the monitoring of sentry wells installed with our support.

VI. GRANT CONDITIONS AND CERTIFICATIONS

The State of Montana agreed to the following conditions outlined in the Operating Agreement. These items are discussed in more detail throughout the body of this report. To the best of our knowledge, DEQ and DNRC have abided by all requirements of state and federal law in the administration of this program.

(a) Assurance that the State has the authority to establish a Fund and operate the DWSRF program in accordance with SDWA.

The State of Montana's authority was re-certified and included with our application for and award of the FFY 12 capitalization grant.

(b) Assurance that the State will comply with State Statutes and regulations.

(c) Assurance that the State has the technical capability to operate the program.

(d) Assurance that the State will accept capitalization grant funds in accordance with a payment schedule.

Please see Exhibit 7: Drinking Water State Revolving Fund Fiscal Year 2012 Budget v. Draw by Category.

(e) Assurance that the State will deposit all capitalization grant funds in the Fund or Set-Aside Account.

(f) Assurance that the State will provide an amount equal to at least 20 percent of the capitalization grant (State match) in the Fund.

(g) Assurance that the State will deposit net bond proceeds, interest earnings, and repayments into the Fund.

(h) Assurance that the State will match capitalization grant funds the State uses for 1452(g)(2) set-asides.

(i) Assurance that the State will use Generally Accepted Accounting Principles.

(j) Assurance that the State will have the Fund and set-aside account audited annually in accordance with Generally Accepted Government Auditing Standards.

Please see Appendix B.

(k) Assurance that the State will adopt policies and procedures to assure that borrowers have a dedicated source of revenue for repayments (or in the case of privately owned system, demonstrate that there is adequate security).

(l) Assurance that the State will commit and expend funds as efficiently as possible, and in an expeditious and timely manner.

(m) Assurance that funds will be used in accordance with the Intended Use Plan.

Please see Appendix C: Drinking Water SRF Intended Use Plan and Project Priority List, SFY 2012.

(n) Assurance that the State will provide EPA with a Biennial Report.

The submission of this document will fulfill the State of Montana's responsibility to submit a report.

(o) Assurance the State will comply with all Federal crosscutting authorities.

(p) The state agrees that it will conduct an environmental review and a determination will be executed and distributed using a state process consisting of the same level of environmental detail required under the state Environmental Review Process for the Drinking Water SRF Program.

All construction projects that received assistance during SFY 12 were reviewed and approved using the Montana Environmental Policy Act (MEPA). It was determined that no Environmental Impact Statements were necessary. A Categorical Exclusion was either granted or an Environmental Assessment was prepared and a Finding of No Significant Impact was issued for all projects.

(q) The use of set-asides for Administrative Expenses, Small Systems Technical Assistance, State Program Management (Public Water Supply Supervision, Source Water Protection, Capacity Development, and Operator Certification), Local Assistance and Other State Programs (Source Water Delineation) will be identified each year in the IUP and established in accordance with the Drinking Water SRF Program Guidelines.

(r) Specific Requirements under Title XIV

1. In accordance with Section 1420(a) of the Safe Drinking Water Act, the state has the authority to ensure

that all new community water systems and new non-transient, non-community water systems commencing operation after October 1, 1999, can demonstrate technical, managerial, and financial capability with respect to each national primary drinking water regulation in effect.

EPA has reviewed and approved Montana's capacity development authority and strategies. Administrative Rules that implement Montana's strategies became effective on September 10, 1999.

2. The state currently has a water and wastewater treatment plant operator certification program within the Permitting and Compliance Division, Department of Environmental Quality.

In addition, the following conditions were given with the Capitalization Grant Award. To the best of our knowledge, DEQ and DNRC have abided by these requirements as well.

- The recipient agrees to ensure that all space for conferences, meetings, conventions, or training funded in whole or in part with Federal funds complies with the Hotel and Motel Fire and Safety Act of 1990.

- EPA Order 1000.25 Recycled Paper-DEQ is using recycled paper for printing reports to be delivered to EPA.

- Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Utilization Under Federal Grants – During SFY 12 loan recipients were required to comply with all Federal requirements concerning Disadvantaged Business Enterprises (DBE) Utilization either by project specification or submitting appropriate reports during construction.

- The state's fair share goal for DBE participation is 5% for SFY 12 (2% MBE, 3% WBE). Refer to Exhibit 9 for the summary of the DWSRF Loans-MBE/WBE for contracts awarded during SFY 12.

VII. CURRENT STATUS AND FUTURE ACTIVITIES

The DWSRF continues to use US Bank as its trustee to manage funds and accounts established under the program. To date this arrangement has been very beneficial. DNRC has internet access to US Bank accounts, which has made monthly reconciliation of WPCSRF and DWSRF accounts more timely. D.A. Davidson and Co. and Piper Jaffray Inc. continue to act as the DWSRF bond underwriters and financial advisors. Dorsey & Whitney will continue to act as DWSRF bond counsel for the general obligation bonds issued in future fiscal years.

DEQ has completed work on the DWSRF project database, which may ultimately include links with the WPCSRF, the PWSS program, and fiscal services in both DEQ and DNRC. The databases again facilitated federal reporting during SFY 12.

The following schedule indicates the key dates for continuation of the Drinking Water State Revolving Fund Loan Program in SFY13:

SFY13 ESTIMATED KEY DATES	**ACTIVITY**
August 2012	Held DWSRF bi-monthly meeting
October 2012	Held DWSRF bi-monthly meeting

SFY13 ESTIMATED KEY DATES	**ACTIVITY**
November 2012	Attended Fall CIFA Conference
December 2012	Hold DWSRF bi-monthly meeting
February 2013	Hold DWSRF bi-monthly meeting
Spring 2013	Hold infrastructure financing workshops to promote and market DWSRF program
April 2013	Hold DWSRF bi-monthly meeting
May 2013	Attend Spring CIFA Conference

VIII. GLOSSARY OF ACRONYMS AND INITIALIZATIONS

ARRA	American Recovery and Reinvestment Act of 2009
ASAP	Automated Standard Application for Payments
AWWA/MWEA	American Water Works Association/Montana Water Environment Association
BAN	Bond Anticipation Note
CIFA	Council of Infrastructure Financing Authorities
DBE	Disadvantaged Business Enterprises
DEQ	Montana Department of Environmental Quality
DNRC	Montana Department of Natural Resources and Conservation
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency
FFY	Federal Fiscal Year (which begins October 1 and ends September 30)
GAN	Grant Anticipation Note
GWUDISW	Ground Water Under the Direct Influence of Surface Water
GO	General Obligation
IUP	Intended Use Plan
LT2ESWTR	Long Term 2 Enhanced Surface Water Treatment Rule
LAC	Legislative Audit Committee
LAD	Legislative Audit Division
MBE	Minority Business Enterprises
MPDES	Montana Pollution Discharge Elimination System
NPS	Non-point Source
NMP	National Municipal Policy
PPAD	Planning, Prevention and Assistance Division
PPL	Project Priority List
PWSS	Public Water Supply Supervision
RAN	Revenue Anticipation Note
RSID	Rural Special Improvement District
SDWA	Safe Drinking Water Act
SFY	State Fiscal Year (which begins July 1 and ends June 30)
SID	Special Improvement District
SDWIS	State Drinking Water Information System
SWP	Source Water Protection
TFAB	Technical and Financial Assistance Bureau

TSEP	Treasure State Endowment Program
W_2ASACT	Water, Wastewater and Solid Waste Action Coordinating Team
WBE	Women Business Enterprises
WD	Water District
WPCSRF	Water Pollution Control State Revolving Fund
WSD	Water and Sewer District

EXHIBIT 1: SOURCES OF DWSRF FUNDS THROUGH SFY 12

Grant Number, Award Date & Year Funds Appropriated	State Fiscal Year Activity	Cap. Grant Amount	Projected State Match	Project Commitments by Fiscal Year		Actual State Match GO Bonds Issues	Other State Match
1) FS-998850-97 6/30/98; 1997	1998	$ 14,826,200	$ -	$ -		$ -	
No Grants awarded in SFY99	1999	$ -	$ 2,965,240	$ 24,274,000	(1) *	$ 3,065,000	
2) FS-998850-98 7/26/99; 1998	2000	$ 7,121,300	$ 1,424,260			$ -	
3) FS-998850-99 9/14/99; 1999		$ 7,463,800	$ 1,492,760	$ 15,073,701	(2)	$ 2,990,000	
4) FS-998850-00 10/02/00; 2000	2001	$ 7,757,000	$ 1,551,400			$ -	
5) FS-998850-01 05/21/01; 2001		$ 7,789,100	$ 1,557,820	$ 11,204,000	(3)	$ 3,190,000	$ 26,986
6) FS-998850-02 02/21/02; 2002	2002	$ 8,052,500	$ 1,610,500	$ 3,495,000		$ -	$ 145,660
No Grants awarded in SFY03	2003	$ -		$ 9,090,000	(4)	$ 1,675,000	$ 266,627
7) FS-998850-03 07/16/03 (set asides) & 6/28/04; 2003	2004	$ 8,004,064	$ 1,600,813	$ 8,180,780		$ -	$ 331,226
8) FS-998850-05 08/16/04 (04 set asides), 6/16/05 (2004 & 2005 grants & 2005 set asides)	2005	$ 16,588,524	$ 3,317,705	$ 12,683,000	(5)	$ 3,875,000	$ 421,554
8) FS-998850-05 8/5/05 Transfer to WPCSRF		$ (5,000,000)					
9) FS-998850-06 5/17/06; 2006	2006	$ 8,229,300	$ 1,645,860	$ 24,929,596		$ -	$ 1,095,911
10) FS-998850-07 6/5/07; 2007	2007	$ 8,229,000	$ 1,645,800	$ 17,007,000		$ -	$ 552,917
11) FS-998850-08 6/5/07; 2008	2008	$ 8,146,000	$ 1,629,200	$ 14,357,160	(6)	$ 1,500,000	$ 720,991
11) FS-998850-08 3/12/09 Transfer to WPCSRF		$ (5,000,000)					
12) 2F-97879201 5/18/09; ARRA	2009	$ 19,500,000	$ -	$ 18,444,800	(7)	$ 3,000,000	$ 761,882
13) FS-998850-09 1/25/10; 2009		$ 8,146,000	$ 1,629,200		(8)	$ 5,400,000	
14) FS-998850-10 6/9/10; 2010	2010	$ 13,573,000	$ 2,714,600	$ 25,383,111	(8)	$ (4,100,000)	$ 2,975,072
14) FS-998850-10 10/5/10; Transfer to WPCSRF		$ (3,000,000)					
15) FS-998850-11 6/8/11;	2011	$ 9,268,000	$ 1,853,600	$ 5,425,997	(9)	$ 1,000,000	$ 1,493,009
15) FS-998850-11 Increase 2/7/12;		$ 150,000	$ 30,000				
16) FS-998850-12 5/8/12;	2012	$ 8,975,000	$ 1,795,000	$ 34,137,000	(10)	$ 1,100,000	$ 1,562,857
TOTAL		$ 148,818,788	$ 28,463,758	$ 223,685,145		$ 22,695,000	$ 10,354,692

*Bond Anticipation Note issued 7-31-98 for $1,000,000, paid off by GO Bond for $3,065,000 issued 10-6-98

1) First General Obligation Bond Issued October 1, 1998 for $3,065,000
2) Second General Obligation Bond Issued April 15, 2000 for $2,990,000
3) Third General Obligation Bond Issued June 15, 2001 for $3,190,000
4) Fourth General Obligation Bond Issued June 15, 2003 for $1,675,000
5) Fifth General Obligation Bond Issued May 5, 2005 for $3,875,000
6) BAN 8/10/07 $500,000 and RAN 4/15/08 $1,000,000
7) Revenue Anticipation Note (RAN) 4/3/09 $3,000,000
8) Sixth General Obligation Bond Issued May 18, 2010 for 1,300,000 + refunded balances of 2000A & 2001G bonds.
9) RAN 3/4/11 $1,000,000
10) RAN 10/21/11 $1,100,000

EXHIBIT 2: DWSRF CAPITALIZED GRANT CLOSED LOANS FOR SFY 12

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Butte-Silverbow County/City (2011 Forgiven)	Revenue	10/12/2011	$ 500,000.00	$ 500,000.00	$ 500,000.00	$ -	12/1/2011	0.00%
Butte-Silverbow County/City	Revenue	10/12/2011	$ 4,360,000.00	$ 4,360,000.00	$ 695,149.00	$ 3,664,851.00	12/1/2011	3.75%
Dry Prairie Water Authority (2011 Forgiven)	Revenue	9/19/2011	$ 500,000.00	$ 500,000.00	$ 370,450.00	$ 129,550.00	5/8/2012	0.00%
Dry Prairie Water Authority	Revenue	9/19/2011	$ 759,000.00	$ 759,000.00	$ 71,541.00	$ 687,459.00	5/8/2012	3.75%
Eureka, Town of	BAN	3/2/2011	$ 1,186,000.00	$ 1,000,000.00	$ 848,712.00	$ 151,288.00	8/11/2011	2.75%
Glendive, City of (2011 Forgiven)	Revenue	7/21/2011	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ -	2/15/2012	0.00%
Glendive, City of	Revenue	7/21/2011	$ 150,000.00	$ 150,000.00	$ 150,000.00	$ -	2/15/2012	3.75%
Harlowton, City of (2010 Forgiven)	Revenue	12/8/2010	$ 437,000.00	$ 437,000.00	$ 437,000.00	$ -	7/26/2011	0.00%
Harlowton, City of	Revenue	12/8/2010	$ 437,000.00	$ 437,000.00	$ 429,809.00	$ 7,191.00	7/26/2011	3.75%
Homestead Acres ARRA A	Revenue	6/27/2011	$ 218,700.00	$ 218,700.00	$ 218,700.00	$ -	8/17/2011	0.00%
Homestead Acres ARRA B	Revenue	8/17/2011	$ 175,297.00	$ 175,297.00	$ 175,297.00	$ -	8/17/2011	0.75%
Lockwood WSD (2010 Forgiven)	Revenue	8/8/2011	$ 436,500.00	$ 436,500.00	$ 436,500.00	$ -	9/13/2011	0.00%
Lockwood WSD	Revenue	8/8/2011	$ 436,500.00	$ 436,500.00	$ 85,938.00	$ 350,562.00	9/13/2011	3.75%
Scobey, City of (2011 Forgiven)	Revenue	11/2/2011	$ 162,000.00	$ 162,000.00	$ 162,000.00	$ -	11/28/2011	0.00%
Scobey, City of	Revenue	11/2/2011	$ 162,000.00	$ 162,000.00	$ 106,492.00	$ 55,508.00	11/28/2011	3.75%
Closed Loans			$ 10,069,997.00	$ 9,883,997.00	$ 4,837,588.00	$ 5,046,409.00		

EXHIBIT 3: DWSRF RECYCLED CLOSED LOANS FOR SFY 12

Public Entity	Type of Security	B.C. Date	B.C. Amount	Loan Amount	Total Drawn	Balance Remaining	Closing Date	Gross interest
Bozeman	Revenue	7/26/2011	$ 10,000,000	$ 10,000,000	$ 341,577	$ 9,658,423	9/30/2011	3.75%
Helena, City of	Revenue	1/26/2012	$ 1,325,000	$ 1,325,000	$ 465,465	$ 859,535	3/1/2012	3.75%
Upper Lower River Rd WSD BAN	BAN	4/9/2012	$ 385,000	$ 385,000	$ 31,918	$ 353,082	5/16/2012	2.75%
White Sulphur Springs	BAN	4/30/2012	$ 1,898,000	$ 1,898,000	$ 59,039	$ 1,838,961	5/17/2012	2.75%
Closed Loans			$ 13,608,000	$ 13,608,000	$ 897,999	$ 12,710,001		

EXHIBIT 4: DWSRF PROJECTED LOAN AGREEMENTS FOR SFY 13

Public Entities	Estimated Date of Commitment	Estimated Loan Amounts
Pablo WSD BAN	Jul-12	$ 25,000
Pablo WSD	Jul-12	$ 1,000,000
Plains, Town of BAN	Jul-12	$ 75,000
Plains, Town of	Jul-12	$ 600,000
Big Fork WSD	Jul-12	$ 2,447,000
Billings, City of	Aug-12	$ 3,100,000
Elk Meadows WD	Feb-12	$ 142,000
Harlowton, Town of	Feb-12	$ 825,000
Ryegate, Town of	Oct-12	$ 158,000
St. Ignatius, Town of	Aug-12	$ 152,000
North Have WD	Dec-12	$ 450,000
Helena, City of	Mar-12	$ 1,100,000
Total		$ 10,074,000

EXHIBIT 5: AMOUNTS AVAILABLE TO TRANSFER BETWEEN STATE REVOLVING FUND PROGRAMS

Year	Transaction Description	Banked Transfer Ceiling	Transferred from CWSRF to DWSRF	Transferred from DWSRF to CWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1997	DW Grant Award	$4,892,646	---	---	$4,892,646	$4,892,646
1998	DW Grant Award	7,242,675	---	---	7,242,675	7,242,675
1999	DW Grant Award	9,705,729	---	---	9,705,729	9,705,729
2000	DW GrantAward	12,265,539	---	---	12,265,539	12,265,539
2000	Transfer(2nd Rnd $)	12,265,539	4,750,328	-0-	17,015,867	7,515,211
2001	DW Grant Award	14,835,942	---	---	19,586,270	10,085,614
2001	Transfer (2nd Rnd $)	14,835,942	4,032,158	-0-	23,618,428	6,053,456
2002	DW Grant Award	17,493,267	---	---	26,275,753	8,710,781
2004	DW Grant Award	20,134,608	---	---	28,917,094	11,352,122
2004	Transfer(2nd Rnd $)	20,134,608	-0-	2,559,810	26,357,284	13,911,932
2005	Transfer(2nd Rnd $)	20,134,608	-0-	2,570,403	23,786,881	16,482,335
2005	Transfer(2nd Rnd $)	20,134,608	-0-	1,000,000	22,786,881	17,482,335
2005	DW Grant Awards	25,608,821	---	---	28,261,094	22,956,548
2006	Transfer(1st Rnd $)		-0-	5,000,000	23,261,094	27,956,548
2006	DW Grant Award	28,324,490	-	-	25,976,763	30,672,217
2007	DW Grant Award	31,040,060	-	-	28,692,333	33,387,787
2008	Transfer(2nd Rnd $)		2,500,000		31,192,333	30,887,787
2008	DW Grant Award	33,728,240			33,880,513	33,575,967
2009	Transfer (1st Rnd $)			5,000,000	28,880,513	38,575,967
2009	DWGrant Award	36,416,420			31,568,693	41,264,147
2009	DW ARRA Grant Award	42,851,420			38,003,693	47,699,147
2010	DW Grant Award	47,330,510			42,482,783	52,178,237
2011	Transfer (1st Rnd $)			3,000,000	39,482,783	55,178,237
2011	DW Grant Award	50,438,450			42,590,723	58,286,177
2012	DW Grant Award	53,400,200			45,552,473	61,247,927
Total			**11,282,486**	**19,130,213**		

EXHIBIT 5A: AUTHORITY TO TRANSFER

Authority to Transfer

Award of Water Grant	1996 & 97	$ 14,826,200	x33%	$	4,892,646
	1998	7,121,300	x33%		2,350,029
	1999	7,463,800	x33%		2,463,054
	2000	7,757,000	x33%		2,559,810
	2001	7,789,100	x33%		2,570,403
	2002	8,052,500	x33%		2,657,325
	2003	8,004,064	x33%		2,641,341
	2004 & 05	16,588,524	x33%		5,474,213
	2006	8,229,300	x33%		2,715,669
	2007	8,229,000	x33%		2,715,570
	2008	8,146,000	x33%		2,688,180
	ARRA	19,500,000	x33%		6,435,000
	2009	8,146,000	x33%		2,688,180
	2010	13,573,000	x33%		4,479,090
	2011	9,418,000	x33%		3,107,940
	2012	8,975,000	x33%		2,961,750
		$ 161,818,788		$	53,400,200

Authority Used

Fiscal Year	Type of Funds	SRF to WRF	WRF to SRF
SFY 2000	Recycled	$ 4,750,328	$ -
SFY 2001	Recycled	4,032,158	-
SFY 2002		-	-
SFY 2003		-	-
SFY 2004	Recycled	-	2,559,810
SFY 2005	Recycled	-	3,570,403
SFY 2006	Grant	-	5,000,000
SFY 2007		-	-
SFY 2008	Recycled	2,500,000	-
SFY 2009	Grant	-	5,000,000
SFY 2010		-	-
SFY 2011	Grant	-	3,000,000
SFY 2012	Grant	-	-
		$ 11,282,486	$ 19,130,213

	SRF	WRF
Authority Available	$ 53,400,200	$ 53,400,200
Used Authority	$ 11,282,486	$ 19,130,213
Balance Available	$ 42,117,714	$ 34,269,987

EXHIBIT 6: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY12

ARRA highlighted in blue

Date	Loans	Set-Aside Components				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
1st Quarter							
07/01/11	128,009					128,009	15,215
07/14/11	97,906					97,906	24,477
07/20/11	18,997					18,997	4,724
7/26/11	20,196	2,275		36,050		58,521	
7/27/11		2,750	5,000	14,000	5,100	26,850	
7/29/11		4,800				4,800	
08/01/11			20,545			20,545	
08/03/11	107,084					107,084	26,771
08/05/11	23,366	650		20,020		44,036	5,841
08/08/11	10,072					10,072	
08/09/11	32,889					32,889	8,222
08/10/11		6,800		47,150	1,750	55,700	
08/15/11		43,150	-11,599	-18,555	1,277	14,273	
08/18/11	12,773	6,250				19,023	
08/19/11				1,350		1,350	
08/22/11	11,742					11,742	2,935
08/24/11		31,360	-2,258	35,925	4,050	69,077	
08/26/11	383,389					383,389	34,202
08/29/11			10,450	200	50	10,700	
09/01/11	56,582					56,582	13,871
09/08/11	9,495	24,600		24,997	2,500	61,592	2,374
09/14/11		3,900	5,000	800		9,700	
09/15/11	111,706					111,706	27,926
09/20/11	360,464					360,464	
09/21/11	251,836	23,100	-5,013	30,100	2,900	302,923	4,698
09/22/11		3,760		5,450	500	9,710	
09/29/11	64,020					64,020	
1st Quarter Draws	$ 1,700,526	$ 153,395	$ 22,125	$ 197,487	$ 18,127	$ 2,091,660	$ 171,256

EXHIBIT 6: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 12 (CONTINUED)

ARRA highlighted in blue

Date	Loans	Set-Aside Components				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
2nd Quarter							
10/3/11	29,838	175	225	428		30,666	1,594
10/4/11	1,381					1,381	345
10/5/11	23,476	28,500	250	31,150	2,300	85,676	5,869
10/11/11				1,150	100	1,250	
10/13/11			14,500	5,000		19,500	
10/21/11	246,018	22,500		34,750	2,750	306,018	61,504
10/25/11		4,075		4,725	450	9,250	
10/26/11	169,652		425	650	50	170,777	
10/31/11	2,113	3,600		1,050		6,763	
11/2/11		31,550		33,650	3,850	69,050	
11/3/11			21,000			21,000	
11/4/11	46,061					46,061	11,515
11/8/11		9,850		700		10,550	
11/14/11		1,175		1,450	3,750	6,375	
11/16/11		5,500				5,500	
11/18/11		17,350		27,090	2,550	46,990	
11/21/11	319,228	-6,215	250	7,458	-1,458	319,263	12,975
11/23/11	105,208			6,000		111,208	26,302
11/30/11	199,411	26,225	425	28,750	2,100	256,911	
12/1/11	21,432	450		1,900		23,782	
12/9/11			14,000	-2,150	3,050	14,900	
12/13/11	6,027					6,027	1,507
12/14/11		29,250	840	32,200	3,650	65,940	
12/15/11	187,623					187,623	21,388
12/16/11				4,000		4,000	
12/21/11		4,815	11,015	750		16,580	
12/28/11		13,758	200	25,000		38,958	
12/29/11		15,750	150	4,050	2,350	22,300	
12/30/11		3,450	25	5,975	625	10,075	
2nd Quarter Draws	$ 1,357,468	$ 211,758	$ 63,305	$ 255,726	$ 26,117	$ 1,914,374	$ 142,999

EXHIBIT 6: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 12(CONTINUED)

ARRA highlighted in blue

Date	Loans	Set-Aside Components				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
3rd Quarter							
1/11/2012		4,300		53,600	3,500	61,400	
1/13/2012				1,100		1,100	
1/17/2012				4,100		4,100	
1/18/2012	92,535					92,535	23,134
1/23/2012	145,974					145,974	36,494
1/24/2012			11,500	8,000	2,850	22,350	
1/25/2012				22,500		22,500	
1/26/2012				5,550	550	6,100	
1/30/2012	132,980					132,980	
2/1/2012				400		400	
2/6/2012				14,750		14,750	
2/8/2012		-25,000		21,750		-3,250	
2/13/2012	12,449					12,449	3,087
2/21/2012				500	3,000	3,500	
2/22/2012		10,400	8,925	27,050	860	47,235	
02/28/12	91,243					91,243	22,811
02/29/12			308	600	410	1,318	
03/08/12		5,650		27,850	8,500	42,000	
03/12/12				3,900		3,900	
03/13/12	250,635					250,635	62,659
03/14/12		-1,000		625	375	0	
03/22/12		3,775	115	37,700	3,300	44,890	
03/26/12				1,925		1,925	
03/28/12			7,750			7,750	
03/30/12		125	275	2,700	2,230	5,330	
3rd Quarter Draws	**$ 725,816**	**$ (1,750)**	**$ 28,873**	**$ 234,600**	**$ 25,575**	**$ 1,013,114**	**$ 148,185**

EXHIBIT 6: SUMMARY OF DRINKING WATER STATE REVOLVING FUND FEDERAL DRAWS FOR SFY 12 (CONTINUED)

ARRA highlighted in blue

Date	Loans	Set-Aside Components				Total Drawn	State Match
		Admin	Tech Asst	State Program	Local Asst		
4th Quarter							
04/02/12	72,713	110	185	9,995	1,800	84,803	
04/05/12		5,250		34,150	3,475	42,875	
04/16/12	40,731					40,731	10,183
04/18/12	222,230	6,800		47,620	4,000	280,650	18,082
04/23/12		4,550	8,000	-2,200		10,350	
04/30/12				559		559	
05/02/12		805	575	36,375	2,950	40,705	
05/04/12	87,340	1,550				88,890	14,308
05/16/12		605		33,930	5,320	39,855	
05/23/12				7,750		7,750	
05/25/12	0					0	
05/30/12		500	16,150	21,850	4,150	42,650	
05/31/12		200	950	5,400	900	7,450	
06/01/12	340,343					340,343	
06/04/12	163,024					163,024	40,756
06/05/12	29,383					29,383	7,346
06/07/12	306,417					306,417	37,416
06/11/12	35,321					35,321	8,831
06/12/12	803,815					803,815	127,804
06/13/12		800		27,009	7,825	35,634	
06/14/12	326,063					326,063	63,276
06/15/12	47,509					47,509	11,877
06/19/12			9,750	10,500	750	21,000	
06/27/12		500		35,732	1,350	37,582	
4th Quarter Draws	**$ 2,474,889**	**$ 21,670**	**$ 35,610**	**$ 268,670**	**$ 32,520**	**$ 2,833,359**	**$ 339,879**

Total FY12 Draws	**$ 6,258,699**	**$ 385,073**	**$ 149,913**	**$ 956,483**	**$ 102,339**	**$ 7,852,507**	**$ 802,319**

Federal Capital Grant Revenue - Combined Statement	$ 7,860,015
Adjustment Due From Federal Govt FY11	$ 57,357
Adjustment Deferred Revenue FY11	$ (404)
Adjustment Due From Federal Govt FY12	$ (64,779)
Adjustment Deferred Revenue FY12	$ 103
Other Adjustments	$ -
Total Federal Draws	$ 7,852,292

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12

Program Name: FS998850 - 97	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	593,048	593,048	-	-
Technical Assistance	296,524	296,524	-	-
State Programs				
Public Water Supply Administration	120,000	120,000	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	55,000	55,000	-	-
Subtotal	*325,000*	*325,000*	-	-
Local Assistance	1,482,620	1,482,620	-	-
Loans	12,129,008	12,129,008	-	-
Total	**14,826,200**	**14,826,200**	**-**	**-**

Program Name: FS998850 - 98	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	284,852	284,852	-	-
Technical Assistance	142,426	142,426	-	-
State Programs				
Public Water Supply Administration	155,470	155,470	-	-
Source Water Protection/Database	105,000	105,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*340,470*	*340,470*	-	-
Loans	6,353,552	6,353,552	-	-
Total	**7,121,300**	**7,121,300**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12(CONTINUED)

Program Name: FS998850 - 99	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	298,552	298,552	-	-
Technical Assistance	149,276	149,276	-	-
State Programs				
Public Water Supply Administration	154,800	154,800	-	-
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	10,000	10,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*334,800*	*334,800*	-	-
Loans	6,681,172	6,681,172	-	-
Total	**7,463,800**	**7,463,800**	**-**	**-**

Program Name: FS998850 - 00	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	310,280	310,280	-	-
State Programs				
Public Water Supply Administration	155,000	155,000	-	-
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	70,000	70,000	-	-
Subtotal	*350,000*	*350,000*	-	-
Loans	7,096,720	7,096,720	-	-
Total	**7,757,000**	**7,757,000**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12(CONTINUED)

Program Name: FS998850 - 01	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	311,564	311,564	-	-
State Programs				
Source Water Protection/Database	75,000	75,000	-	-
Capacity Development	50,000	50,000	-	-
Subtotal	*125,000*	*125,000*	-	-
Loans	7,352,536	7,352,536	-	-
Total	**7,789,100**	**7,789,100**	**-**	**-**

Program Name: FS998850 - 02	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	322,100	322,100	-	-
State Programs				
Public Water Supply Administration	395,000	395,000	-	-
Capacity Development	50,000	50,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*535,000*	*535,000*	-	-
Loans	7,195,400	7,195,400	-	-
Total	**8,052,500**	**8,052,500**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: FS998850 - 03	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	320,164	320,164	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Public Water Supply Administration	395,000	395,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*585,000*	*585,000*	-	-
Loans	6,973,900	6,973,900	-	-
Total	**8,004,064**	**8,004,064**	**-**	**-**

Program Name: FS998850 - 04	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	332,124	332,124	-	-
Technical Assistance	135,000	135,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	82,000	82,000	-	-
Public Water Supply Administration	160,000	160,000	-	-
Operator Certification	90,000	90,000	-	-
Subtotal	*432,000*	*432,000*	-	-
Local Assistance	40,000	40,000	-	-
Total	**939,124**	**939,124**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: FS998850 - 05	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	331,420	331,420	-	-
Technical Assistance	125,000	125,000	-	-
State Programs				
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	75,000	75,000	-	-
Public Water Supply Administration	630,000	630,000	-	-
Operator Certification	160,000	160,000	-	-
Subtotal	*965,000*	*965,000*	-	-
Local Assistance	40,000	40,000	-	-
Loans	9,187,980	9,187,980	-	-
Total	**10,649,400**	**10,649,400**	**-**	**-**

Program Name: FS998850 - 06	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	329,172	329,172		-
Technical Assistance	20,000	20,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	50,000	50,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	30,000	30,000		-
Subtotal	*730,000*	*730,000*	-	-
Local Assistance	50,000	50,000	-	-
Loans	7,100,128	7,100,128		-
Total	**8,229,300**	**8,229,300**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: FS998850 - 07	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	329,160	329,160		-
Technical Assistance	95,000	95,000		-
State Programs				
Source Water Protection/Database	100,000	100,000		-
Capacity Development	80,000	80,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	60,000	60,000		-
Subtotal	*790,000*	*790,000*	-	-
Local Assistance	90,000	90,000		-
Loans	6,924,840	6,924,840		-
Total	**8,229,000**	**8,229,000**	**-**	**-**

Program Name: FS998850 - 08	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	325,840	325,840		-
Technical Assistance	90,000	90,000		-
State Programs				
Source Water Protection/Database	99,600	99,600		-
Capacity Development	75,000	75,000		-
Public Water Supply Administration	550,000	550,000		-
Operator Certification	90,000	90,000		-
Subtotal	*814,600*	*814,600*	-	-
Local Assistance	90,400	90,400		-
Loans	1,825,160	1,825,160		-
Total	**3,146,000**	**3,146,000**	**-**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: FS998850 - 09	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	325,840	325,840	-	-
Technical Assistance	125,000	125,000	-	-
State Programs		-	-	
Source Water Protection/Database	100,000	100,000	-	-
Capacity Development	78,000	78,000	-	-
Public Water Supply Administration	665,000	659,380	5,620	-
Operator Certification	90,000	90,000	-	-
Subtotal	*933,000*	*927,380*	*5,620*	-
		-		
Local Assistance	90,000	90,000	-	-
Loans	6,672,160	6,672,160	-	-
Total	**8,146,000**	**8,140,380**	**5,620**	**-**

Program Name: FS998850 - 10	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	542,920	542,920	-	-
Technical Assistance	211,000	136,957	74,043	-
State Programs				
Source Water Protection/Database	140,000	116,522	23,478	-
Capacity Development	82,000	55,429	26,571	-
Public Water Supply Administration	700,000	379,613	320,387	-
Operator Certification	120,000	116,500	3,500	-
Subtotal	*1,042,000*	*668,064*	*373,936*	-
		-		
Local Assistance	130,000	97,531	32,469	-
Loans	8,647,080	4,781,271	3,865,809	-
Total	**10,573,000**	**6,226,743**	**4,346,257**	**-**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: FS998850 - 11	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	376,720	-	367,385	9,335
Technical Assistance	117,500	-	75,870	41,630
State Programs				
Source Water Protection/Database	140,000	-	78,860	61,140
Capacity Development	85,000	-	60,000	25,000
Public Water Supply Administration	700,000	-	354,176	345,824
Operator Certification	120,000	-	83,891	36,109
Subtotal	*1,045,000*	-	*576,927*	*468,073*
Local Assistance	130,000	-	69,870	60,130
Loans	7,748,780	-	1,399,428	6,349,352
Total	**9,418,000**	**-**	**2,489,480**	**6,928,520**

Program Name: FS998850 - 12	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	359,000	-		359,000
Technical Assistance	143,000	-		143,000
State Programs				
Source Water Protection/Database	140,000	-		140,000
Capacity Development	90,000	-		90,000
Public Water Supply Administration	700,000	-		700,000
Operator Certification	120,000	-		120,000
Subtotal	*1,050,000*	-	-	*1,050,000*
Local Assistance	130,000	-	-	130,000
Loans	7,293,000	-	-	7,293,000
Total	**8,975,000**	**-**	**-**	**8,975,000**

EXHIBIT 7: DRINKING WATER STATE REVOLVING FUND BUDGET VS DRAW BY CATEGORY SFY 12 (CONTINUED)

Program Name: 2F978792-01 ARRA	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	680,000	662,312	17,688	-
Technical Assistance	-			-
State Programs				
Source Water Protection/Database	-			-
Capacity Development	-			-
Public Water Supply Administration	50,357	50,357	-	-
Operator Certification	-			-
Subtotal	*50,357*	*50,357*	-	-
Local Assistance	-			-
Loans	18,769,643	17,776,181	993,462	-
Total	**19,500,000**	**18,488,850**	**1,011,150**	**-**

Program Name: Total All Grants	Budget	Previous Draws	SFY 12 Draws	Balance 6/30/2012
Administration	6,372,756	5,619,348	385,073	9,335
Technical Assistance	1,774,726	1,440,183	149,913	184,630
State Programs				
Public Water Supply Administration	6,630,627	4,904,620	680,183	1,045,824
Source Water Protection/Database	1,574,600	1,271,122	102,338	201,140
Capacity Development	917,000	715,429	86,571	115,000
Operator Certification	1,325,000	1,081,500	87,391	156,109
Subtotal State Programs	*10,447,227*	*7,972,671*	*956,483*	*1,518,073*
Local Assistance	2,273,020	1,980,551	102,339	190,130
Subtotal all Set Aside Categories	*20,867,729*	*17,012,753*	*1,593,808*	*1,902,168*
Loans	127,951,059	108,050,008	6,258,699	13,642,352
Total	**148,818,788**	**125,062,761**	**7,852,507**	**15,544,520**

EXHIBIT 8: SET ASIDES 1 TO 1 MATCH FUNDING SUMMARY

		FUND SOURCES		
State FYE 93		FEDERAL	STATE MATCH	STATE EXCESS
Activity	R/C			
Public Water Supply Program	2511/2512	738,559	246,186	
Drinking Water Fees	2512			203,526
Subdivisions	2515			173,061
Subdivision Supplemental	2518			101,731
Board Cert for W&WW Operators	2516			57,085
	TOTAL FY 93	**738,559**	**246,186**	**535,404**

		FUND SOURCES		
State FYE 12		FEDERAL	STATE Match	STATE Match
Activity	Org Unit	PPG Grant	PPG Grant-25%	for SRF Grant
Public Water Supply Program - 02204	120520, 302832, 545811	1,182,057	295,514	
Subdivision Fees - 02418	120520,302827,546115 - 546160			407,049
Drinking Water Fees - 02204	545812, 545819			703,021
Board Cert for W&WW Operators - 02420	545916			73,543
	TOTAL FY 12	**1,182,057**	**295,514**	**1,183,614**

1,138,366	Actual Expended PWS	(199,186)
1,182,057	Awards SFY 2012 PWS	
1,407,671	Available with 2010 & 2011 unused awards	

EXHIBIT 9: DWSRF LOANS: MBE/WBE FOR CONTRACTS AWARDED DURING SFY 12

Exhibit 9: DWSRF Loans – MBE/WBE For Contracts Awarded During SFY 12								
FFY Qtr/Yr	**SFY Qtr/Yr**	**Borrower**	**Loan No.**	**Bid Amount**	**Loan Amount**	**DBE Type**	**DBE Amount**	**DBE Percent #**
04/11	01/12	Bozeman	12-247	$26,879,130	$10,000,000	WBE	$326,447	1.21%
		Harlowton	12-240, 12-241	$1,064,610	$874,000	WBE	$14,650	1.38%
01/12	02/12	N/A						
02/12	03/12	Upper Lower River Road	12-257	$562,927	$385,000	MBE	$4,771	0.85%
03/12	04/12	N/A						

APPENDIX A

SFY12 CASH FLOW MODEL

APPENDIX B

SFY12 FINANCIAL STATEMENTS UNAUDITED WITH FOOTNOTES

APPENDIX C

SFY12 INTENDED USE PLAN

APPENDIX D

MAP OF PROJECTS AND LIST